

T/RLM

Decision 90 02 057 FEB 26 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of DI SALVO TRUCKING CO. for)
authority to increase rates in)
Tariffs of which this carrier is)
party thereto, for this carrier's)
participation only, namely Western)
Motor Tariff Bureau Tariff Nos.)
E.S. I-B, 106, 170, 20-4 DSAL)
570-A, and 571 (including reissues)
thereof) containing rates and charges)
for this Common Carrier for the)
transportation of Commodities and the)
performance of specified services)
related thereto.)

ORIGINAL

Application No. 90-01-045
(Filed January 23, 1990)

- And -)
For authority to depart from the)
terms of Section 454 and 491 of the)
Public Utilities Code when)
accomplishing such publication.)

O P I N I O N

Di Salvo Trucking Company (Di Salvo) seeks authority to increase its base rates by 10% in the following Western Motor Tariff Bureau, Inc., Agent (WMT), tariffs:

- Exception Sheet 1-B, CA PUC 34
- Local Freight and Express Tariff 106, CA PUC 11
- Rules Tariff WMT 170, CA PUC 51
- Di Salvo Tariff 20-4 DSAL, CA PUC 67
- Class Rates Tariff WMT 570-A, CA PUC 85
- Class Rates Tariff WMT 571, CA PUC 49

Di Salvo states that is has exhausted all increases granted by the Commission into its class rate structure, and has taken window increases in minimum charges (Item 610-3) and distance class rates in Tariff 20-4 DSAL. Di Salvo received their last general increase of 2.9% on Any Quantity and 5,000 pound rates under Resolution TS-684 effective September 19, 1989.

Di Salvo's cost of maintaining its fleet and the cost of new equipment has increased the company's immediate out-of-pocket and depreciation costs. Di Salvo has also experienced substantial labor increases through Contractual Agreements and their Pension Plan. Di Salvo's underground fuel tanks have cost them approximately \$400,000 and diesel fuel has increased in the past year.

Di Salvo has furnished financial data for the 12-month period ending November 30, 1989 setting forth actual revenue and expenses as well as projected results under the proposed rates. From that data, the staff has prepared a comparison of applicant's financial position using projected costs in conjunction with current and proposed revenues:

	<u>Test Period Ending November 30, 1990</u>	
	<u>Present Rates</u>	<u>Proposed Rates</u>
Revenue	\$34,485,923	\$37,934,515
Expenses	41,417,720	41,417,720
Profit (Loss)	(6,931,797)	(3,483,250)
Operating Ratio	120.1	109.2

The application was listed on the Commission's Daily Transportation Calendar of January 30, 1989. No protest to the granting of the application has been received. The application was not filed under authority granted pursuant to Section 496 of the Public Utilities Code.

Findings of Fact

1. Di Salvo has experienced further increases in operating expenses since last receiving authority to increase its intrastate rates and charges.

2. Di Salvo's last general increase was 2.9% on Any Quantity and 5,000 pounds under Resolution TS-684 effective September 19, 1989.

3. Di Salvo seeks an increase of 10% on all base rates contained in its intrastate tariffs.

4. The proposed rates, if granted, would increase Di Salvo's intrastate revenue by approximately \$3,448,592.

5. The increases resulting from this proposal are justified.

Conclusions of Law

1. The application should be granted.

2. This order should be made effective today, since there is an immediate need for rate relief.

3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Di Salvo Trucking Company is authorized to increase its base rates by 10% in certain tariffs published by Western Motor Tariff Bureau, Inc., Agent, as specifically set forth in the body of the opinion.

2. Tariff publications authorized to be made as a result of this order shall be filed on or after the effective date of this order and may be made effective not earlier than 5 days' after the effective date of this order on not less than 5 days' notice to the Commission and to the public.

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3. Di Salvo Trucking Company, in establishing and maintaining the rates authorized by this order, is authorized to depart from the provisions of Public Utilities Code Section 461.5 to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. This authority will expire if not exercised within 60 days of the effective date of this order.

5. The application is granted as set forth above.

6. This order is issued pursuant to Section 308 of the Public Utilities Code and Resolution TS-678.

This order is effective today.

Dated FEB 26 1990, at San Francisco, California.

William R. Schulte
William R. Schulte, Director
Transportation Division

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY

Neal J. Shulman
NEAL J. SHULMAN, Executive Director
NB